

Message Text

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ACTION SS-30

INFO OCT-01 ISO-00 /031 W

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P 121749Z NOV 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC PRIORITY 6508

S E C R E T SANTIAGO 5529

EXDIS

EO 11652: GDS

TAGS: CI, UN, PFOR

SUBJ: COPPER COMPENSATION

REF: STATE 221269

1. SUMMARY: JUNTA MEMBER MERINO STATES GOC RECOGNIZES IMPORTANCE OF THIS ISSUE, WISHES TO INITIATE TALKS WITH COMPANIES AS SOON AS IT HAS NECESSARY DOCUMENTS IN HAND, IS AWARE OF NEED TO MAINTAIN MAXIMUM FLEXIBILITY AND AVOID COMMITMENT TO A PARTICULAR PROCEDURE WHICH MAY NOT SERVE IN ALL CASES, SEES ADVANTAGES IN PRESSING TO RESOLVE EASIER CASES WHILE GRADUALLY NARROWING DIFFERENCES IN OTHERS, AND INTENDS TO KEEP IN TOUCH WITH COMPANIES ONCE PROCESS UNDERWAY. OUR TALK WAS CORDIAL AND CONSTRUCTIVE THROUGHOUT. END SUMMARY.

2. 2. ADMIRAL MERINO RECEIVED ME AT 1830 NOVEMBER 9 AT MY REQUEST. AFTER EXCHANGE OF COURTESIES, I RAISED THIS SUBJECT ALONG LINES PARAGRAPH SEVEN SANTIAGO 5451 AND DREW ON GUIDANCE STATE 216697 AS TALK PROCEEDED. MERINO REACTED AS FOLLOWS:

3. GOC RECOGNIZES IMPORTANCE OF THIS ISSUE AND WANTS TO DEAL WITH IT PROMPTLY.

4. UPON RETURN OF FOREIGN MINISTER AND HIS PARTY FROM U.S. VISIT, GOC ORGANIZED RESPONSIBLE GROUP TO DEAL WITH THIS MATTER UNDER LEADERSHIP RAUL SAEZ (MERINO FIRST SAID ORLANDO SAENZ AND THEN CORRECTED). IT HAS TAKEN GOC LONGER THAN ANTICIPATED TO PREPARE
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FOR ACTION BECAUSE IT HAS DISCOVERED THAT CERTAIN ESSENTIAL DOCUMENTS SIMPLY DISAPPEARED WITH THE ALLENDE GOVERNMENT. EVERY EFFORT IS BEING MADE TO FILL THESE GAPS IN DOCUMENTATION AND HE ANTICIPATES THAT TALKS WITH THE COMPANIES WILL BE INITIATED WITHIN A

FEW WEEKS. THE GOC IS LOOKING FORWARD TO THE JANUARY PARIS CLUB MEETING AND WANTS TO HAVE THIS PROCESS UNDER WAY IN ADVANCE OF THAT MEETING. I REMARKED THAT I UNDERSTOOD THE GOC ALSO INTENDED TO HAVE A BILATERAL MEETING WITH US ON DEBT ISSUES IN ADVANCE OF THE PARIS CLUB MEETING AND ASSUMED THE GOC WOULD SEE ADVANTAGES IN HAVING TALKS WITH THE COMPANIES UNDER WAY PRIOR TO THAT MEETING. MERINO ASSENTED.

5. THE GOC AGREES THAT IT IS DESIRABLE TO MAINTAIN MAXIMUM FLEXIBILITY SINCE IT IS AWARE THAT THERE ARE IMPORTANT DIFFERENCES IN THE INDIVIDUAL COMPANY CASES AND THE SAME PROCEDURE MAY NOT BE APPLICABLE FOR ALL CASES.

6. MERINO SAW ADVANTAGES IN PRESSING TO RESOLVE THE EASIER CASES WHILE GRADUALLY NARROWING DIFFERENCES IN OTHERS. HE AGREED THAT THE CERRO CASE IS QUITE DIFFERENT FROM THE OTHERS AND THAT ITS EARLY RESOLUTION WOULD BE OF PSYCHOLOGICAL IMPORTANCE.

7. MERINO AGREED WITH THE DESIRABILITY OF KEEPING IN TOUCH WITH THE COMPANIES AND INDICATED THIS WOULD BE DONE ONCE TALKS BEGIN. HOWEVER, HE AGAIN REFERRED TO THE NEED FOR THE GOC TO FILL IN DOCUMENTATION GAPS BEFORE BEGINNING TALKS. HE REFERRED TO RAUL SAEZ AS AN ORDERLY MAN WHO WANTS TO BE PROPERLY PREPARED. HE ALSO NOTED THE DISADVANTAGE IN NEGOTIATIONS TO THE SIDE WHICH IS NOT IN POSSESSION OF ALL THE FACTS AND THE GOC DESIRE TO AVOID FALSE STARTS AND BE ABLE TO PROCEED SERIOUSLY WITH THESE TALKS ONCE THEY ARE UNDERTAKEN. GOC IS AWARE ITS HANDLING OF THIS ISSUE WILL HAVE AN IMPORTANT EFFECT ON INTERNATIONAL FINANCIAL AND BUSINESS ATTITUDES TOWARD CHILE. GOC INTENDS PROCEED PROMPTLY AND SERIOUSLY ON THESE CASES AS IT DOES ON OTHER U.S. CASES, SUCH AS FORD, WHICH REMAIN OUTSTANDING.

8. I TOLD ADMIRAL MERINO I WAS PLEASED TO FIND THAT THE VIEWS OF OUR GOVERNMENTS COINCIDED AND HOPED THAT HE WOULD LET ME KNOW IF HE BELIEVED WE COULD BE HELPFUL. HE SAID HE WOULD DO SO.

9. COMMENT: OUR TALK WAS ENTIRELY CORDIAL AND MERINO'S
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ATTITUDE WAS REASSURING. MERINO PLAINLY REGARDS RAUL SAEZ AS IN CHARGE OF THIS SUBJECT AND THAT, AS MUCH AS SUBSTANTIVE DIFFERENCES, MAY BE ORLANDO SAENZ'S PROBLEM -SANTIAGO 5451). AT THIS TIME MERINO'S THINKING SEEMS ENTIRELY IN LINE WITH OUR OWN. I BELIEVE IT WAS USEFUL TO MAKE HIM AWARE OF OUR VIEWS IN THE EVENT HE BEGINS TO RECEIVE PROPOSALS FOR PROCEEDING ALONG DIFFERENT LINES. I HOPE TO FIND AN OPPORTUNITY FOR A MEETING WITH RAUL SAEZ IN THE NEAR FUTURE AT WHICH I WOULD PROPOSE TO COVER THIS GROUND WITH HIM AS PART OF A BROADER DISCUSSION.
THOMPSON

SECRET

<< END OF DOCUMENT >>

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